

CONSULTATION QUESTIONNAIRE (Page One)
Low Income, Low Assets – a new route into Bankruptcy

The deadline for responses is **25 June 2007**

Your details

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For the purpose of analysing responses, it would be helpful if you would also indicate the capacity in which you are completing this questionnaire, please tick as appropriate.

Advice Sector	<input type="checkbox"/>	Legal Body	<input type="checkbox"/>
Business	<input type="checkbox"/>	Professional Body	<input type="checkbox"/>
Individual	<input type="checkbox"/>	Statutory Body	<input type="checkbox"/>
Insolvency Practitioner	<input checked="" type="checkbox"/>	Other (Please Specify) _____	<input type="checkbox"/>

Questions for Consultation

1a Do you agree with the proposal to treat someone in receipt of an income based Social Security benefit as having no income for the LILA scheme?

Yes No

1b Do you think £100 (gross) is the appropriate level for the purposes of calculating low income?

Yes No

1c If not, please state what you would consider to be the appropriate level e.g. £150, £200 and why?

Each case should be reviewed on an individual basis.

1d How should the level determined be calculated, e.g. gross income at date of application or gross weekly income averaged over 6 month or 12 month period?

At the date of application: although income during previous 6 months should be substantiated.

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1e Should Child Tax Credit be disregarded in the calculation of income?

Yes No

1f Should any other benefits or tax credits be disregarded in the calculation of income?

Yes No

1g If so which benefits or tax credits should be disregarded?

Disability Living Allowance

2a Do you think £1,000 is the appropriate level for the purposes of calculating assets?

Yes No

2b If not, please state what you would consider to be the appropriate level, and why (for example, linking to other limits in use in diligence).

However, this should be amended in line with any future changes to AiB guidelines re cars, etc.

2c Should excluded assets only be those which would be excluded from bankruptcy?

Yes No

2d If not, which other types of assets should be included or excluded?

2e Do you agree that anyone who owns their own house or other property should be excluded from the LILA scheme?

Yes No

2f If not, why?

Individual assessment required with financial statement being provided. It cannot be assumed homeowners have equity in their property.

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3a Should there be a different debt threshold for LILA applications?

Yes No

3b If so, at what level should it be set?

4a Do you agree that a simple on-line process should be the usual means of applying for bankruptcy through the LILA scheme?

Yes No

4b If not, what forms of applications should be allowed and why?

In order to ensure the system is not open to abuse there should be some term of independent assessment.

4c Do you think that the proposed £50 fee is reasonable?

Yes No

4d If not, what kind of fee structure would be appropriate? (please consider issues such as deterrence, consistency with other applications, waivers for specific groups of debtors, higher costs of administering hard copy applications)

Low income/low assets suggests there is no disposable income.

4e Do you agree that a Statutory Declaration by a debtor should be sufficient for a debtor's application?

Yes No

4f If not, what else should be required and why?

Independent assessment by qualified personnel, ie Accredited Money Advisor/IP/Solicitors, re assets/income/debts should be a statutory requirement.

4g Do you have any other suggestions for the LILA process which you would like us to consider?

The concept of LILA is welcomed, however in order to ensure the process is not abused there should be some formal assessment of the debtor's circumstances. While it is accepted this will add to the costs it should be considered necessary. Advice on implications of insolvency should also be mandatory.

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5a Do you agree that there should be a delay between the date of application and an award of bankruptcy?

Yes No

5b If no, why not?

5c If yes, is 5 weeks a reasonable period of delay?

Yes No

5d If you do not agree that 5 weeks is a reasonable period, what alternative would you suggest and why?

5e Should the debtor be able to withdraw their application during this period?

Yes No

5f Should the creditor be entitled to object to an application during this period?

Yes No

5g If so, should grounds for objection be restricted to the accuracy/honesty of the debtor's averment of low income and low assets?

Yes No

5h If not, what other grounds for objection be considered?

6 Do you have any other comments?

Creditors right of objection should only be necessary/made available if an independent assessment of the debtor's financial situation is not imposed as a statutory provision.